

# ROSEDALE PRESBYTERIAN CHURCH

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**2009 Financial Statements  
(Unaudited)**

**ROSEDALE PRESBYTERIAN CHURCH**  
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**(Unaudited)**

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## Review Engagement Report

### To the Congregation of Rosedale Presbyterian Church

We have reviewed the statement of financial position of Rosedale Presbyterian Church at December 31, 2009 and the statements of revenue and expenses and changes in fund balances for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Church's management.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

*PKF Hill LLP*

Chartered Accountants, Licensed Public Accountants  
February 21, 2010

# ROSEDALE PRESBYTERIAN CHURCH

## Statement of Financial Position

As at December 31

(Unaudited)

	2009	2008
<b>ASSETS</b>		
Current assets		
Cash		
On deposit (bank overdraft)	\$ 16,613	\$ (4,463)
Due (to) from pooled investments	(424)	26,197
GST recoverable	904	1,022
Prepaid insurance	13,530	13,230
	<hr/> 30,623	<hr/> 35,986
Pooled investments, at market (schedule 1)	703,935	584,676
	<hr/> <hr/> \$ 734,558	<hr/> <hr/> \$ 620,662
<b>LIABILITIES AND FUND BALANCES</b>		
Accounts payable and accrued liabilities	\$ 5,000	\$ 5,000
Designated contributions (note 3)	19,082	30,418
	<hr/> 24,082	<hr/> 35,418
Fund balances		
Operating - unrestricted	6,541	568
Facilities - internally restricted	246,915	176,637
MM & A		
Externally restricted	380,586	356,266
Internally restricted	59,789	-
Paulin Memorial - internally restricted	-	42,330
Cargill Memorial - externally restricted	16,645	9,443
	<hr/> 710,476	<hr/> 585,244
	<hr/> <hr/> \$ 734,558	<hr/> <hr/> \$ 620,662

See accompanying notes

On behalf of the Board of Managers:

**Brock Winterton**  
Convenor

**Johnmark Roberts**  
Treasurer

**Tom Starkey**  
Member

## ROSEDALE PRESBYTERIAN CHURCH

### Statement of Revenue and Expenses

Year ended December 31

(Unaudited)

	2009	2008
Revenue		
Congregational	\$ 236,923	\$ 203,518
Special events, net (note 4)	20,499	12,432
Bequest	20,000	-
Use of premises	21,560	15,017
Other donations	3,362	6,000
Investment income (loss), net (note 5)	122,480	(192,285)
Directed contributions		
Presbyterians sharing	37,676	40,681
PWS & D	4,745	3,735
Designated contributions (note 3)	21,792	47,318
MM & A Fund	11,820	100,291
	<hr/>	<hr/>
	500,857	236,707
Expenses		
Stipends, salaries and benefits	199,075	202,330
Worship	3,306	10,123
Family caucus	963	1,559
Congregational	66	894
Mission	2,541	5,295
Presbyterian Record	2,586	2,494
Presbytery assessment	5,950	5,950
Discretionary	1,113	1,576
Communications and Centennial	3,521	6,837
Administration	14,070	12,562
Manse and church properties	78,221	101,880
Directed amounts disbursed	64,213	91,734
	<hr/>	<hr/>
	375,625	443,234
Excess (deficiency) of revenue over expenses	\$ 125,232	\$ (206,527)

See accompanying notes

**ROSEDALE PRESBYTERIAN CHURCH**

**Statement of Changes in Fund Balances**

**Year ended December 31**

**(Unaudited)**

	2009					2008	
	Operating	Facilities	MM & A	Paulin Memorial	Cargill Memorial	Total	Total
Fund balances, beginning of year	\$ 568	\$ 176,637	\$ 356,266	\$ 42,330	\$ 9,443	\$ 585,244	\$ 791,771
Excess (deficiency) of revenue over expenses	125,232	-	-	-	-	125,232	(206,527)
Eleanor Bain bequest to MM & A	(20,000)	-	20,000	-	-	-	-
MM & A donations	(11,820)	-	11,820	-	-	-	-
Investment income allocation	(122,480)	115,278	-	-	7,202	-	-
Support for conference	2,541	-	-	(2,541)	-	-	-
2007 donation credit to operating, should be MM & A	(12,500)	-	12,500	-	-	-	-
Transfers	45,000	(45,000)	39,789	(39,789)	-	-	-
Fund balances, end of year	\$ 6,541	\$ 246,915	\$ 440,375	\$ -	\$ 16,645	\$ 710,476	\$ 585,244

**See accompanying notes**

# ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2009  
(Unaudited)

## 1. Rosedale Presbyterian Church

Rosedale Presbyterian Church (the "Church") is a congregation within The Presbyterian Church in Canada, Presbytery of East Toronto. As a registered charity under the Income Tax Act, the Church is exempt from income taxes.

## 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from these estimates.

### Property and equipment

In accordance with the accounting standards of the Canadian Institute of Chartered Accountants ("CICA"), not-for-profit organizations with average annual revenues of less than \$500,000 may expense property and equipment as purchased (rather than capitalizing expenditures and amortizing purchase prices over respective useful lives). The management of the Church believes that the users of the financial statements are better served by continuing to carry the Church properties and equipment at a nominal value. All additions and major renovations to property are expensed in the year of purchase. Whereas 2009 revenue was marginally in excess of \$500,000, aggregate revenues would normally be within the above limit.

### Financial instruments

The CICA provides a choice for financial instruments disclosure and the Church has chosen to continue to apply Financial Instruments - Disclosure, Section 3861 in place of Financial Instruments - Disclosure, Section 3862 and Financial Instruments - Presentation, Section 3863.

The Church's financial instruments include cash, GST recoverable, pooled investments and accounts payable. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The investments in the pooled investment portfolio are designated as held for trading financial assets and are recorded and carried at fair market value. Unrealized gains and losses arising from the change in fair value of investments are recorded as a component of investment income for the year.

### Revenue recognition

Unrestricted contributions are recognized as revenue of the Operating fund when received. Contributions which are externally restricted by the donor are recorded as increases in the designated contributions and are reflected as revenue in the year that they are paid and expensed. Pursuant to the policy of the congregation, unrestricted bequests are normally credited to the Facilities fund.

# ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2009  
(Unaudited)

## 2. Summary of significant accounting policies - continued

### Fund accounting

The accounts of the Church are maintained in accordance with the principles of fund accounting. Accordingly, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. The funds are as follows:

#### *Operating fund (unrestricted)*

The Operating fund consists of donations, other revenues, and expenses related to the operations and ministry of the Church, unless specifically related to other funds.

#### *Facilities fund (internally restricted)*

Bequests that are internally restricted by the congregation are recorded as an increase in the Facilities fund. The capital of the Facilities fund is invested in pooled investments and is available for the maintenance of the Church property and other approved purposes. Transfers from the Facilities fund require congregational approval. The transfer in 2009 was \$45,000 (2008 - \$123,000).

#### *Mission, Ministry and Arts Fund (internally and externally restricted)*

The Mission, Ministry and Arts ("MM & A") fund has been created to support the Church's mission, ministry and arts programs that could be financed in a sustainable fashion by earnings from the fund.

Donations to the fund are considered externally restricted. During 2009, the residual balance of the Paulin Memorial Fund was transferred to the MM & A fund, as was a \$20,000 bequest from the Estate of Eleanor Bain. These two amounts are considered internally restricted.

During the year, it was noted that a 2007 donation of \$12,500 designated for the MM & A fund had been incorrectly credited in that year to the operating fund. In 2009, the allocation was corrected.

#### *Paulin Memorial Fund (internally restricted)*

The Reverend Dr. James B. Paulin Memorial Fund of Rosedale Presbyterian Church was established to finance education seminars and similar programs of continuing education for the ministers of The Presbyterian Church in Canada in memory of Dr. James B. Paulin, a former minister to the congregation.

Pursuant to a 2008 resolution of the congregation, the residual balance of the Paulin Memorial Fund was transferred to the MM & A fund in 2009.

#### *Cargill Memorial Fund (externally restricted)*

The Elizabeth Cargill Memorial Library Fund finances maintenance of the Church's library and the purchase of new books and periodicals.

### Investment income

Interest, dividends and income trust distributions are recognized as revenue when received.

# ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2009  
(Unaudited)

## 2. Summary of significant accounting policies - continued

### Contributed goods and services

Contributed goods and capital donations are recorded in the accounts at fair market value as at the date of receipt. Contributed services are not recognized in these financial statements due to the difficulty in determining their fair value.

## 3. Designated contributions

	December 31, 2008	Received	Disbursed	Transferred	December 31, 2009
"Blackside", for future Memorial Fund (a)	\$ 16,200	\$ -	\$ -	\$ 5,400	\$ 10,800
Manse tithe outreach (b)	1,704	6,355	4,062	-	3,997
Grace Wevers Memorial (b)	550	-	-	550	-
Gardens (b)	3,268	-	-	1,600	1,668
Out of the Cold	937	462	-	1,000	399
Boarding House Ministries (b)	6,366	2,160	6,315	-	2,211
St. James Town (b)	893	413	1,874	(568)	-
Evangel Hall	500	2,890	883	2,500	7
Portland Place	-	777	777	-	-
AIDS in Africa	-	2,093	2,093	-	-
Barsoum	-	1,125	1,125	-	-
Hurricane Relief	-	1,775	1,775	-	-
Lourdes Food Bank	-	1,000	1,000	-	-
Other	-	1,300	1,300	-	-
	-	588	588	-	-
	<u>\$ 30,418</u>	<u>\$ 20,938</u>	<u>\$ 21,792</u>	<u>10,482</u>	<u>\$ 19,082</u>

Designated contributions include amounts which have been designated by the donor. Contributions received by the Church are disbursed to the designated organization in their entirety. Such organizations include Presbyterians Sharing (The Presbyterian Church in Canada), Presbyterian World Service and Development ("PWS&D"), and organizations noted above which are supported by the Church's congregation.

(a) Memorial contributions are segregated in order to fund approved disbursements. During the year, disbursements included:

Video camera	\$ 812
Digital piano	2,999
Other	251
	<u>\$ 4,062</u>

(b) Transfers from designated contributions included:

- (i) \$1,600 and \$1,000 from Grace Wevers Memorial and Gardens to congregational givings in order to offset the 2009 anticipated operating deficit;
- (ii) \$550 residual from the manse tithe to offset a deficit in the Boarding House Ministries account. The residual deficit of \$18 was charged to operations; and
- (iii) \$2,500 received from St. Andrew's Presbyterian (Toronto) for support of the congregation's St. James Town mission was transferred to operations in order to support the Outreach Coordination's remuneration;

## ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2009  
(Unaudited)

### 4. Special events, net

	Revenue	Expenses	Net
Fall Festival	\$ 8,562	\$ 5,786	\$ 2,776
Centennial and Board dinners/auction	15,968	2,168	13,800
Yard sale	3,798	-	3,798
Other	125	-	125
	<u>\$ 28,453</u>	<u>\$ 7,954</u>	<u>\$ 20,499</u>

### 5. Investment income (loss), net

	2009	2008
Revenue		
Interest	\$ 1,666	\$ 3,363
Dividends	14,849	19,444
Realized gains (losses)	(21)	-
Unrealized gains (losses)	107,036	(214,042)
	<u>123,530</u>	<u>(191,235)</u>
Expenses		
Administration fees	(1,050)	(1,050)
	<u>\$ 122,480</u>	<u>\$ (192,285)</u>
Investment income (loss), net		
	<u>\$ 122,480</u>	<u>\$ (192,285)</u>
Allocation as follows:		
Paulin Memorial Fund	\$ -	\$ (29,531)
Cargill Memorial Fund	7,202	(8,407)
Facilities fund	115,278	(154,347)
	<u>\$ 122,480</u>	<u>\$ (192,285)</u>

Pursuant to approvals on behalf of the congregation, no investment income or loss has been allocated to the MM & A fund.

## ROSEDALE PRESBYTERIAN CHURCH

Notes to Financial Statements  
Year ended December 31, 2009  
(Unaudited)

### 6. Capital projects

Capital expenditures during 2009 included:

Restoration of stained glass window	\$	3,254
Gated fences		866
	\$	4,120

Other capital projects were charged to the Memorial Fund (note 3).

### 7. Pension plan

The Church participates in the pension plan administered by The Presbyterian Church in Canada. This is a multi-employer plan and as at December 31, 2009, the Church does not have any unfunded obligations.

### 8. Financial instruments

It is management's opinion that the Church is not exposed to significant interest rate, currency, liquidity or credit risks arising from its financial instruments. The Church's investments in equities, mutual funds and income trust units are subject to market risk as the values of these investments are affected by market fluctuations.

### 9. Statement of cash flows

A statement of cash flows is required by generally accepted accounting principles. It has not been prepared as it would not provide additional information to that already disclosed in the financial statements.

### 10. Objectives, policies and processes for managing capital

The Church's capital is comprised of the funds invested in property and equipment (which are not recorded in these financial statements), the unrestricted fund balance and the pooled investments held on behalf of the internally and externally restricted funds which are presented in the statement of financial position.

The Board of Managers (the "Board") oversees the financial management of the Church. Operating (including property and equipment) budgets are prepared and approved by the congregation. The Board then manages operations in the context of the budget.

Internally and externally restricted funds are represented in aggregate by the pooled investments. These are managed by the Board through an investment sub-committee.

Capital withdrawals are approved by the Church's congregation sitting in annual or special meetings.

## ROSEDALE PRESBYTERIAN CHURCH

### Schedule of Pooled Investments

Year ended December 31

(Unaudited)

	<b>Schedule 1</b>	
	<b>2009</b>	<b>2008</b>
On deposit with broker	\$ 174,236	\$ 183,957
Due from (to) the Operating fund	424	(26,197)
	<hr/> 174,660	<hr/> 157,760
<b>Bonds and debentures</b>		
TD Canada Trust GIC, October 09	-	22,282
TD Canada Trust GIC, October 10	22,605	-
Presbyterian Church Bld. Corp. 2.5%, October 15, 2009	-	10,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2010	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2011	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2012	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2013	5,000	5,000
Presbyterian Church Bld. Corp. 2.5%, October 15, 2014	5,000	-
	<hr/> 47,605	<hr/> 52,282
<b>Equities and mutual funds</b>		
5,000 Adanac Molybdenum Corp.	350	100
500 Bank of Nova Scotia	24,610	16,655
1,098 Bell Canada Enterprises	31,842	27,593
500 Major Drilling Group Intl.	14,385	6,250
128 Suncor Energy	4,763	2,672
1,400 Royal Bank	78,960	50,540
1,000 TD Bank	65,960	43,450
100 Telus Corp.	3,411	3,717
6,477 Trimark Fund	154,792	140,217
	<hr/> 379,073	<hr/> 291,194
<b>Income trust units</b>		
800 Arc Energy	15,952	16,080
1,500 Canadian Oil Sands	44,865	31,650
1,000 Consumers Water Heater	4,190	9,400
800 H & R REIT	12,360	5,960
1,000 Riocan REIT	19,850	13,660
1,000 YellowPages	5,380	6,690
	<hr/> 102,597	<hr/> 83,440
<b>Total pooled investments</b>	<hr/> <b>\$ 703,935</b>	<hr/> <b>\$ 584,676</b>
<b>Allocated as follows:</b>		
Facilities fund	\$ 244,374	\$ 176,637
MM & A Fund	442,916	356,266
Cargill Memorial Fund	16,645	9,443
Paulin Memorial Fund	-	42,330
	<hr/> <b>\$ 703,935</b>	<hr/> <b>\$ 584,676</b>

See accompanying notes